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CNEA, PERUVIAN INSTITUTE TO EXCHANGE NUCLEAR MISSIONS

PY261639Y Buenos Aires TELAM in Spanish 1455 GMT 26 Oct 78 PY

[Text] Buenos Aires, 26 Oct (TELAM)--Foreign Minister Vice Adm Oscar Antonio Montes and Peruvian Ambassador Felipe Valdivieso Belaunde have signed the agreement which authorized the two countries to establish missions of the National Atomic Energy Commission [CNEA] and of the Peruvian Nuclear Energy Institute [IPEA] in the respective countries. The ceremony was held today in the Golden Room of San Martin Palace and was attended by CNEA President Rear Adm Carlos Castro Madero, International Economic Relations Under Secretary Air Force Col Raul Cura, General Under Secretary Hugo Repetto Belaez and other officials of the two countries.

Through this special agreement, which is within the framework of the basic scientific and technological cooperation agreement signed by the two governments on 31 May 1974, the guidelines which will rule the functions of the missions are implemented in order to comply with the contract signed by the Argentine and Peruvian organizations on 5 November 1977 which provides for the design, construction, equipping and startup of the nuclear research center in Peru.

After signing the documents Montes and Valdivieso referred in laudatory terms to this new demonstration of the excellent relations between the two countries.

Castro Madero Queried on Policy

PY262033Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1544 GMT 26 Oct 78 PY

[Text] Buenos Aires, 26 Oct (NA)--Carlos Castro Madero, president of the National Atomic Energy Commission [CNEA], stated here today that the United States is not going to apply pressure on Argentina to abandon its projects to produce plutonium, but that the Carter administration fears that this material, which can be used to manufacture nuclear weapons, "could be stolen by terrorists." Castro Madero made these remarks this morning after leaving the Foreign Ministry where he had participated in the signing of an agreement establishing CNEA representatives in Peru and Peruvian Nuclear Energy Institute Representatives in Argentina, something which, according to Castro Madero, "is indispensible for the implementation of the plan to set up a nuclear research center in Peru."

With regard to the Italian proposals for the construction of the Atucha 2 powerplant and the Italian proposal for overall cooperation in the nuclear field with Argentina, Castro Madero said: "We are planning the construction of the third power plant, which we will call Atucha 2 [as received], and since we have already chosen heavy water and natural uranium reactors, we have very few suppliers." He added: "Within this narrow field, the CNEA is doing its best to find new suppliers. We have had offers from Canada and the FRG, and now we have received an Italian offer which the country views with pleasure because it will lead to more competition and therefore better results."

On the possibility that complementation with Italy could include the sale of Argentine uranium for Italian nuclear powerplants, CNEA's president said: "This is one of the things that interests Italy most because that country has no energy sources, no raw materials for its energy plan."

Castro Madero stated that the purchase of uranium "is one of the Italian requirements. However, current Argentine regulations regarding nuclear minerals prohibit exports unless authorized by the Executive Branch."

The official also noted that the Carter administration had called upon Argentina to stop its nuclear reprocessing plans because plutonium, resulting from the processing of natural uranium, can be used to manufacture nuclear weapons. Asked whether Argentina will go on with its plans to build a reprocessing plant, despite U.S. objections, Castro Madero said that "Argentina has reasserted its decision to reprocess uranium as soon as it becomes economically viable, which we foresee for the 1990's. Until that time we will have to prepare ourselves so that the country can have decisionmaking power when the time comes."

Asked about the reasons which the United States may have to ask Argentina to stop its reprocessing plans, CNEA's president said: "I do not believe that the United States doubts our peaceful intentions. However, they believe that the production of plutonium in general leads to proliferation." He explained that "proliferation does not mean that the country will use it for other than peaceful means. That is one possibility, but they also are afraid that it could be stolen by terrorists."

To the question of whether the United States' position could lead it to apply pressure on Argentina to discontinue its plans, Castro Madero said: "I do not believe so, because I believe that Argentina's position is legitimate. Therefore, I do not believe that the United States will apply any pressure such as you mentioned. What we shall do is wait for the results of the various fuel cycles which are being developed around the world to see whether there are any fuel cycles other than plutonium."

Castro Madero concluded by stating that the zero-power reactor which Argentina installed in Peru, and which has been operating since 20 July, is training Peruvian technicians, who will take charge of the Atomic Center which will be installed in Guarangal.

DAGGER FIGHTERS REPORTEDLY PURCHASED FROM ISRAEL

FY261552Y Paris AFP in Spanish 1523 GMT 26 Oct 78 FY

[Text] Paris, 26 Oct (AFP)--The specialized British magazine AIR INTERNATIONAL revealed today that Israel has sold Argentina 26 Dagger combat airplanes. According to the magazine, the contract, for approximately $180 million, was signed last August between the Argentine Air Force (FAA) and Israeli Aeronautics Industry [IAI].

The Dagger, propelled by a French SNECMA "Atar" turbine, is the Israeli version of the "Mirage 5." According to the magazine, the FAS preferred the Israeli airplane to the French Mirage due to the proposal of immediate delivery made by IAI. In this regard, AIR INTERNATIONAL said that this purchase is of considerable importance to Argentina due to the growing tension with Chile regarding the sovereignty of three islands in the Beagle Channel claimed by the two countries, which could lead to an armed conflict. According to the publication, the Dagger will be used to equip two FAS squadrons which will be used basically for attack and to obtain air superiority.

Argentina bought seven Mirage IIIEA's in France last year.

The magazine also stated that the military aircraft factory in Cordoba, under the FAA, is delivering one "Pucara" airplane on the 24th of each month. The Pucara IA-58 is a counterguerrilla, tactical support airplane built in Argentina.

AIR INTERNATIONAL pointed out that the FAA's objective is to have three Pucara squadrons of 15 airplanes each. The FAA had received 20 Pucaras as of September.

The publication also indicated that a contract between Argentina and Mauritania for the purchase of several Pucaras was cancelled because the African country refused to accept the financial clauses of the purchase.

AIR INTERNATIONAL also said that the sale of a Pucara to Nicaragua was postponed by Argentina due to the recent civil war in that Central American country. The publication noted that the Chilean Air Force (FACH) has denied a report that Chile was going to purchase 100 "Hunter" fighters which had belonged to the Indian Air Force. The Hunter is a jet from the 1950's. According to the magazine, the head of the FACH, Gen Fernando Matthei, said that the Hunters were inadequate and expensive. The FACH is, however, continuing negotiations with India to purchase spare parts for the Hunter, which Chile still has in operation, said AIR INTERNATIONAL.

GENERAL VIOLA CONCEDES ECONOMIC PROBLEMS PERSIST

PA210239Y Buenos Aires LATIN in Spanish 1908 GMT 20 Oct 78 PA

[By Jorge Banales]

[Excerpt] Caracas, 20 Oct (LATIN)--Lt Gen Roberto e Viola, member of the Argentine military junta, said today that inflation, recession and the loss of buying power are the three greatest problems that his country's economy faces. Viola, who ended a 5-day visit as guest of Gen Arnaldo Castro Hurtado, commander-in-chief of the Venezuelan Army, held a news conference at noon today, which he opened and closed by emphasizing the cordiality of his relations with the journalists "and the restraint of their questions."

Viola said that "(Alfredo) Martinez de Hoz's economic program has been highly satisfactory in many fields." When the military government came to power in March 1976, Argentina "had the ridiculous figure of $20 million in foreign currency. Today we have approximately $6 billion," he said. The commander-in-chief of the Argentine army said that there are other indications of the adjustment and recovery of the Argentine economy, although three factors remain which we have been unable to control: the rate of imflation, the recession and the loss of buying power.

Replying to queries from the journalists, Viola emphatically denied that Argentina tortures prisoners and said that so far it has been impossible to solve the murders of Argentine Gen Carlos Prats, former Bolivian President Juan Jose Torres and the disappearance of Hidalgo Sola, former ambassador to Venezuela. He also shared the concern expressed here over the disappearance of journalists in Argentina and referred to the case of Rodolfo Fernandez Pondal who, he said, "was my friend."

"Please do not hold me or the Argentine Government responsible for the disappearances which are so deterimental to the foreign image of Argentina. It would be absurd to think that the government is responsible," said Viola.

RIGHTS ASSEMBLY CALLS FOR DETAINED WOMEN'S RELEASE

PY241659Y Paris AFP in Spanish 1545 GMT 24 Oct 78 PY

[Text] Buenos Aires, 24 Oct (AFP)--The Argentine Government has received a demand that it free all women held without trial and that it step up the search for missing persons.

The document, which was submitted to Argentine President Lt Gen Jorge Videla (Ret) on 29 August by the Permanent Assembly for Human Rights with more than 250 signatures, was published today by the morning newspaper CLARIN. Catholic and Protestant priests and bishops, rabbis, political and labor leaders, teachers and other personalities are among those who signed the document. It states that 1,000 women are being held in Argentina, many of them without charges or trial, and in many cases are submitted to humiliating treatment in prison. It adds that there are at least another 1,00 missing women whose relatives have not been able to obtain any information about their whereabouts or status. The appeal indicates that many of these women are mothers of small children born in prison or places unknown and that in some cases nothing is known about them. It adds that the relatives ask with anguish every day if these children were born, have died or are sharing the fate of their mothers.

The document appeals to the authorities to release the women, increase efforts to locate the missing, and give the appropriate information to relatives. The document concludes by stating that those who have committed crimes must be charged and put under the jurisdiction of the appropriate courts and that those who have no charges against them should be released.

ARTICLE WEIGHS EXPECTED CABINET RESHUFFLE

PY261428Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1234 GMT 26 Oct 78 PY

[Special report by Jose Ignacio Lopez]

[Excerpt] Buenos Aires, 26 Oct (NA)--After a strenuous period of talks and lengthy meetings between the members of the military junta and the president of the nation, everything seems to be ready for a cabinet reshuffle. It also seems certain that the much-discussed possibility that this reshuffle will bring more civilians into the cabinet, will be reduced to the addition of one more civilian: the future justice minister, Rodriguez Varela, current state attorney for Buenos Aires Province, who will take over a ministry which has been in the hands of the air force so far. The other two civilians in the cabinet will be the economy minister and the new education and culture minister, Juan Rafael Llerena Amadeo.

There will also be some changes with regard to the ministries assigned to each armed forces branch. The Foreign Ministry, so far in the hands of the navy, will be turned over to the air force. The navy will keep the Social Welfare Ministry and will take over the Defense Ministry, so far in charge of Maj Gen Jose Maria Klix [of the air force]. The army will retain the Interior Ministry--General Harguindeguy will be the only military officer on active duty to remain in the cabinet--and the Labor Ministry. Therefore, if all this takes place, there will be three civilian and five military ministers (two army, two navy and one air force). If we take into account that at this point President Videla's cabinet has nine ministries, one can deduce that the Planning Ministry--a creation of the military government--will be turned into a secretariat under the jurisdiction of the president and--according to reports--entrusted to an air force officer. This change will also lead to a change of operational status for the Planning Ministry, which will apparently become the secretariat of what might be called the National Development and Security Council [Consejo Nacional de Desarrollo y Seguridad] (CONADESE), an acronym which will thus become part of the long official list. This council will be the upper echelon of what is being called the National Development and Security System and will be made up of the president of the nation and all members of the cabinet.

PRESIDENT SUPPORTS ARGENTINA IN BEAGLE CHANNEL TALKS

PY261358Y Paris AFP in Spanish 0356 GMT 26 Oct 78 PY

[Excerpt] Yacuiba, Bolivia, 25 Oct (AFP)--In a press conference held here today, Bolivian President Pereda Asbun discussed the Beagle Channel problem. "It is our desire to see these negotiations arrive at a level of understanding and fraternal feelings capable of leading to the satisfaction of the legitimate claims of the Argentine people," Pereda said.

The Bolivian president denied reports about the possible creation of a La Paz-Lima-Buenos Aires axis. He said that Bolivia has been consistently proving its peaceful intentions and its desire to solve problems through dialog. He added: "This philosophy is not in keeping with the creation of axes or alliances." On the talks held today with Argentine President Jorge Rafael Videla, Pereda stated that the result was a strengthening of Argentine-Bolivian brotherhood and that the talks had been positive.

OPPOSITION CRITICIZES SALE OF GAS TO BRAZIL

PY261648Y Paris AFP in Spanish 1511 GMT 26 Oct 78 PY

[Text] La Paz, 26 Oct (AFP)--The political opposition has accused General Pereda of giving away Bolivian gas reserves. The accusation was made public only hours after the signing of a letter of intent for the sale of 400 million cubic feet of gas to Brazil. The political parties issued a joint communique condemning the sale, while other groups asked for the immediate cancellation of the letter of intent signed in Brasilia yesterday. All political groups point to the case of Bolivian oil deposits, whose exhaustion is said to be the result of this kind of irresponsible policy.

OPPOSITION PARTIES SCORE PEREDA'S ELECTION TIMETABLE

PY270047Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 26 Oct 78 PY

[Text] The alliance of the National Revolutionary Movement [MNR], Authentic Revolutionary Party [PRA], Christian Democratic Party [PDC] and the Revolutionary Party of the Nationalist Left [PRIN] has stated that General Pereda's remarks in the town of Pocitos reflected a unilateral attitude, contrary to the legitimate demands of the opposition. General Pereda had said that he would hand over the government to the winner of the next election in August 1980. The alliance, which opposes the present regime, went on to say that there is no public and frank dialog with the government about the problems affecting the country. This unilateral position is contrary to the legitimate demands of the opposition and infringes on the rights of the people to (?choose) a government during the first half of next year. These opinions are included in a document issued by the parties and delivered to the press today. The document is signed by the leaders of the four opposition parties.

BRIEFS

MINERAL RAIL FREIGHT SUSPENDED--La Paz, 18 Oct (AFP)--More than 50,000 tons of Bolivian mineral products cannot be transported due to the suspension of railroad traffic between the cities of Ollugue, Bolivia, and Antofagasta, Chile. The Antofagasta Railroad Company, which operates the line, has decided to suspend the credit of the Mining Corporation of Bolivia [COMIBOL] because it has not recognized a 60-percent hike in railway freight charges on this line. A joint Bolivian-Chilean commission is supposed to meet to discuss a resolution of the problem. Despite the fact that this is the only means for Bolivian minerals to reach the coast in order to be shipped abroad, COMIBOL authorities stated that the suspension of the railroad shipments did not cause changes in production rates. [Paris AFP in Spanish 0014 GMT 19 Oct 78 PY]

FRG OFFICIAL INTERVIEWED ON NUCLEAR PROGRAM

PY261537Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Oct 78 p 7 PY

[Text of interview granted by the secretary of state of the FRG Research and Technology Ministry, Hans-Hilger Haunschild, to O ESTADO correspondent William Waak in Bonn on 23 October]

[Text] [Question] What are the main topics to be dealt with during your visit to Brazil?

[Answer] The Brazilian-FRG Joint Commission on Scientific Research and Technological Cooperation will meet in Brasilia on 26 and 27 October. The main topics on the agenda will be cooperation on nuclear energy research and the FRG contribution to the nuclear program in the context of industrial cooperation for the peaceful uses of atomic energy. In the area of cooperation with the Industrial Technical Secretariat [STI], the initiation of the "biotechnique" program and the "production and application of niobium" will be the first topics of discussion. The cooperation with the National Research Council [CNPQ] aimed at assisting the Brazilian northeast will be concentrated on solar energy, geological science, tropical diseases and raw materials handling techniques. I must also mention new projects in the area of oceanographic research, such as the DNH [Directorate of Hydrography and Navigation] high altitude and wind energy utilization projects with the Technical Aeronautical Center (CTA) and data processing, especially for process control with the CNPQ. This list is not complete, but I believe I went over the main topics on the agenda. Because of its great political and economic significance, the implementation of the Brazilian-FRG nuclear agreement is certainly very important. The topics which will be under discussion pose no great problems at this time. Our cooperation has been moving along satisfactorily and the practical difficulties which came up can be solved. In fact, both partners in this broad and ambitious program were well aware from the beginning that obstacles would come up, but, as said before, they believe these problems can be solved.

[Question] Four years ago, you headed the FRG delegation to the meeting of the Brazilian-FRG Joint Commission on Scientific Research and technological cooperation which initiated negotiations on the Brazilian-FRG nuclear agreement. In contrast with the optimism of 1974, both the FRG and the Brazilian nuclear programs are facing difficulties today. And in the FRG and Brazil this question is being asked: Up to what point will Brazilians be capable of complying with FRG requirements on quality and technological standards?

[Answer] I believe I have answered that question already. I continue to be optimistic, and let me add that Brazil--despite some predictions of calamities--is in a good position to meet the highest standards of quality. The installations necessary for control of such standards are under construction already.

[Question] In view of newspaper reports on political technical and financial difficulties in development of the Brazilian nuclear program, your visit to Brazil has been give a political connotation it was not supposed to have. In Brazil a congressional investigation commission is now delving into different aspects of the nuclear program. Would the difficulties with the reactor project put the implementation of the whole program in jeopardy?

At the beginning of this year you said that by mid-1978 you expected Brazil to reach a decision on the sites for two more reactors. The question now is that such a decision has not yet been made and, on top of that, there are indications that a better construction site is being sought for Angra 3. Thus the order for two more reactors from the FRG is being delayed for an indefinite period.

Is there any possibility that a delay in the installation of the eight reactors or a reduction in number may induce the FRG to reformulate its compliance with other clauses in the agreement?

[Answer] I would like to answer both questions together since they are closely related. As for the delay first, I would say that, as far as the installation and expansion of nuclear energy sources are concerned, expectations have not been met anywhere in the Western world, including the FRG. This has been for many reasons, the explanation of which would lead us far away from your question. I just want to add that, judging from my extensive experience with large projects, delays are not the exception but the rule. Preestablished deadlines cannot be complied with in practice. This is true not only for nuclear projects, but also for, let us say, special research projects or data processing. When breaking new ground, one is never saved from the unexpected; and this does not make things any easier, but more difficult. This is all normal. To prove the point, even conventional projects, such as bridges or dams, can experience delays. I do not believe that there should be too much concern when decisions as to location of projects are delayed because things have to be thought over. I would be concerned if those decisions were taken without the necessary prior studies.

Of course I realize that technical problems will unavoidably come up, involving additional cost. On the other hand, I do not see any fundamental difficulty in the implementation of the reactor installation program. The Brazilian Government has repeatedly stated that the agreement with the FRG will be maintained. We have no reason to doubt and, as far as we are concerned, we shall fully comply with the agreement--as we have always said we would. Therefore, the overall program is not in jeopardy.

[Question] Is the information correct that the installation of the pilot reprocessing plant is going too slowly? We would like you to succinctly review Brazilian-FRG cooperation in the area of so-called sensitive technology. Has the FRG Government taken all the decisions regarding the export of that technology? Is there a need for new licences for the export of material, equipment and construction blueprints?

[Answer] Many people are impatient, although there is no reason for their impatience. A project as difficult as the pilot reprocessing plant cannot be completed at high speed. In my opinion, we should not even try to move too fast, because this project also involves the training of Brazilian scientists and technicians. The work schedule was set in such a way as to allow time for a real transfer of the most up-to-date technology. Of course, we could hurriedly complete construction plans and hand them over to inexperienced FRG private companies to do the building. But this is not the spirit of our cooperation, which seeks to provide independence gradually. It will not succeed overnight.

As for the export licenses, all those requested were granted. But not all the required licenses were requested because they would only be valid for 2 years. So licenses are requested not too far in advance of export dates. In that way the companies have time to export individual components during the validity period of the license. Let me sum this up: Export licenses have been granted already for nuclear reactors and fuel elements; export licenses for uranium enrichment installations have been granted; this week export licenses for the so-called hardware will be available; and export licenses for blueprints of reprocessing installations have been granted already. The FRG Government is fulfilling all its commitments.

AGREEMENT REACHED WITH PARAGUAY ON ITAIPU

PY262354Y Paris AFP in Spanish 2228 GMT 26 Oct 78 PY

[Excerpt] Brasilia, 26 Oct (AFP)--The spokesman for the Brazilian Foreign Ministry today announced that Brazil and Paraguay have reached a broad agreement for the operation of the Itaipu hydroelectric plant. The announcement was made here at the end of a bilateral consultation meeting in which experts in hydroelectric matters, from the two countries participated. They will present to their governments the conclusions they have reached for their ratification. The spokesman for the Brazilian Foreign Ministry did not reveal what these were.

A brief official communique was delivered to journalists at the end of the Brazilian-Paraguayan consultation, which lasted 5 hours and which was held at the Brazilian Foreign Ministry. The communique states that matters of interest concerning the Itaipu hydroelectric plant were discussed. It also states that the meeting took place in a climate of cordiality and understanding, emphasizing that the two delegations will now submit their conclusions to their respective governments.

The spokesman for the Brazilian Foreign Ministry told newsmen that the delegates from the two countries reached a general agreement with regard to the operation of Itaipu, but he refrained from disclosing details on the matter because, he said, it still has to be ratified by the two governments. He added that after the ratification a meeting with representatives of the Argentine Government will be held to try to reach a definite agreement with regard to the hydroelectric exploitation of the Parana River.

The Brazilian diplomat also added that that meeting could be held within 2 weeks, but added that this is his personal opinion and not that of his country's government. The Brazilian Foreign Ministry spokesman also stated that there are practically no disagreements between his country and Paraguay on Itaipu, indicating that an agreement was reached on the subjects discussed at the meeting held here today. He also said that subjects related to the turbines of Itaipu and their operation were discussed at the meeting, including the height of the dam and the rules governing the use of the waters of the Parana River, but he declined to confirm or deny whether the Paraguayan project to build a hydroelectric dam on the Monday River was discussed. He pointed out, however, that the governments of Brazil and Paraguay feel that the problem of Monday has nothing to do with filling the Itaipu dam. He also confirmed rumors released by the Brazilian press, that Brazilian and Argentine Foreign Ministers Antonio Azeredo da Silveira and Oscar Montes held a telephone conversation on Monday during which, he said, the problem of turbines for Itaipu was not discussed.

Nevertheless, the rumor circulating among diplomatic sources in this capital that agreement has been reached between Brazil and Paraguay to increase the number of turbines for Itaipu from 18 to 20 was neither confirmed nor denied. It was said only that these two turbines would be maintained as spare units if some of the other units should need repair work. This rumor was received with skepticism in local journalistic circles. The newsmen pointed out that because this would involve introducing a new fact into the tripartite negotiations, it could be rejected by Argentina.

BRIEFS

TRANSIT TO CHILE--Brasilia, 25 Oct (AFP)--The Brazilian Foreign Ministry reported here today that the Argentine Government has authorized Brazilian trucks and buses to travel through Argentine territory for a fair which will be held in Santiago, Chile. The spokesman for the Foreign Ministry indicated that the owners of bus and truck companies have reported that the transit of Brazilian transport vehicles through Argentine territory is beginning to return to normal. [Paris AFP in Spanish 2350 GMT 25 Oct 78 PY]

NUCLEAR-FREE ZONES SUPPORTED IN UNITED NATIONS DEBATE

PY261302Y Paris AFP in Spanish 0215 GMT 26 Oct 78 PY

[Text] United Nations, 25 Oct (AFP)--Alfredo Canales Marquez, Chile's UN representative, said today that his country supports the establishment of nuclear-free areas like Latin America.

Speaking in the first committee, where a debate continues on the recommendations and decisions of the UN Special Assembly on Disarmament, Canales Marquez said that these areas should also be established in Africa, the Middle East, South Asia and other regions. He added that the prohibition of nuclear weapons and the nonproliferation of nuclear weapons should not interfere with the utilization of nuclear energy for peaceful means, to which small countries have a right.

The Chilean representative said that all peaceful countries like Chile support any initiative leading toward general and complete disarmament under effective international control. He said that the military power developed by the great powers is seriously endangering the future of humanity. He added that it is necessary to reestablish confidence between nations, saying that this is the only way to reaffirm the principle of national sovereignty, nonintervention, nonuse of force, the solution of conflicts through peaceful means and other measures which should be respected without exception.

According to observers here, the diplomats accredited to the United Nations will concentrate for several weeks on the total prohibition of nuclear weapons.

PROSCRIBED UNIONS' LEADERS DEFY GOVERNMENT DECREE

PY270205Y Santiago Chile Radio Agricultura Network in Spanish 2300 GMT 26 Oct 78 PY

[Text] In an open challenge to the authorities and to what is set forth in a government decree on the issue, leaders of the pseudounion organizations which have been dissolved by the government have announced that they will continue to lead these unions until the court issues a decision on the appeals they submitted on the issue.

Sergio Villalobos, former leader of the Ranquil Peasant Federation, accompanied by Alamiro Guzman, a Communist Party member and a member of the former Miners Federation, made this announcement during a strange press conference they held at the headquarters of the Vicariate of Solidarity.

BRIEFS

LEGISLATIVE COMMISSION SWORN IN--The new No 2 Legislative Commission, presided over by Air Force Commander Fernando Matthei, was sworn in today. Its members are: Air Force Gen Javier Lopetegui; Col Arturo Garcia Altamirano; Group Commander Hernan Chaves Sotomayor; Jose Bernales Pereira; and Carlos P. Coke. [Santiago Chile Radio Agricultura Network in Spanish 2300 GMT 24 Oct 78 PY]

COPPER TO UNITED STATES--Santiago, Chile, 25 Oct (AFP)--The president of Chile's Copper Corporation (CODELCO) has expressed his satisfaction with U.S. President Jimmy Carter's decision against establishing copper import quotas. To CODELCO's Gaston Frez, the measure would have caused domestic problems in the United States because the whole copper import custom tariffs system would have had to be changed. [Paris AFP in Spanish 0300 GMT 26 Oct 78 PY]

VARIETY OF PROTESTS MADE AGAINST NEW SECURITY MEASURES

PA270224Y Paris AFP in Spanish 2214 GMT 26 Oct 78 PY

[By Farid Camel]

[Text] Bogota, 26 Oct (AFP)--A new wave of protests and violent reactions broke out here today against security regulations recently enacted by the government which, it has been affirmed, are being used to repress the masses. Due to the application of the security regulations adopted by the executive branch to combat common crime, many persons, especially students, have been arrested for presumed subversive acts or are accused of aiding guerrilla groups.

In the last few hours liberal circles denounced the disappearance of several university students, which coincided with other charges made by Rameses Hakim, rector of the National University of Bogota, that some of them had been tortured. In answer to these charges, President Julio Cesar Turbay has ordered a thorough investigation, but the military commands denied having tortured 89 persons, including men and women, who are now being held at the Military Institutes Brigade.

According to the military commands, the arrests were made in response to the existence of a presumed subversive plan of which they gave no details.

Today, Thursday, journalist Daniel Samper Pizano criticized the security regulations in an article in the newspaper EL TIEMPO. As part of the "repressive escalation," Samper Pizano mentioned several massive arrests of Indians, coffee pickers and striking workers, the murders of a guerrilla ideologist and a Communist deputy, and the death of a university student who was killed by a rifle bullet. The newsman, based on several charges, also referred to raids on university dormitories in Bogota and the arrest of many students "for which no reasons at all were given."

Leftist sectors continue to condemn the "violent repression" against the masses while industrial circles strongly defend the regulations. Since they became effective 40 days ago there have been strong protests in political, judicial and religious sectors because, in their opinion, the security measures do not differentiate between common criminals and those accused of rebellion. They cited as examples the fact that dozens of guerrillas captured in the last several months were tried by courts-martial and sentenced on charges of association to commit crime and not for rebellion. They also cited the refusal to permit civilian defense lawyers in these cases.

Meanwhile, the executive branch defends the necessity of maintaining the regulations in force, which has been challenged by well-known jurists before the Supreme Court of Justice. However, the Supreme Court declared the regulations legal, including an article on restrictions for broadcasting and television stations when information on public order is involved.

STUDENTS IN VILLAVICENCIO PROTEST PRICE HIKES

PA262248Y Paris AFP in Spanish 1918 GMT 26 Oct 78 PA

[Text] Bogota, 26 Oct (AFP)--It was reported here today that approximately 200 university students occupied the cathedral of Villavicencio, in eastern Colombia, and clashed violently with police after holding demonstrations to protest increases in fuel prices and bus fares. The authorities did not report any injuries. A total of 22 demonstrators were arrested after police forcibly evicted students from the church.

The disturbances followed those staged in Cali yesterday for the same reasons. Following clashes between students and police, in which several persons were injured and one bus was burned, University del Valle was placed under military control until further notice.

CHANGE IN NICARAGUAN AMBASSADOR DESCRIBED AS ROUTINE

PA260326Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 25 Oct 78 PA

[Text] Bogota--Nicaraguan Charge d'Affaires Octavio Sanabria has attributed the recall of Ambassador to Colombia William Barquero to normal changes and the reorganization of the Nicaraguan Foreign Ministry. Sanabria said that the recall was not due to political reasons but to the normal reorganization of the Foreign Ministry. He said that Barquero's replacement has been chosen but did not reveal his name.

FINANCE MINISTER ADDRESSES BANKERS IN CARTAGENA

PA262244Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 26 Oct 78 PA

[Text] The government today informed the country that the economic situation is very good, adding that no drastic measures or dangerous financial experiments will be undertaken to alter the structure of Colombia's healthy currency. Finance Minister Jaime Garcia Parra said at the inauguration of the banking convention in Cartagena that the harmonious growth of the nation's economy will be continued with priority for the agricultural and livestock sector in order to strengthen the independence of productive forces.

He said that the Gross National Product, which was over 6 percent last year, will grow this year, thanks to circumstances favorable to development. He said: We will maintain the policy of balanced growth. Monetary and exchange strategies will not be subjected to dangerous experiments.

The private banking sector heartily approved the government's project, which introduces changes to the nation's banking structure. Alfonso Davila Ortiz, president of the banking association, praised President Turbay's financial policy, noting that all national sectors are committed to the sacrifices needed to get the nation out of underdevelopment.

Finance Minister Jaime Garcia Parra defended the social scope of the proposal submitted to Congress yesterday. He said: We not only seek to alleviate the tax burden on earned income and encourage public and private investment but also to obtain resources for the Industrial Development Institute and block the largest causes of tax evasion.

The finance minister revealed that the Colombian peso's loss of purchasing power, which so far has reached 5.3 percent [annually], will amount to 7.4 percent by the end of the year. Garcia Parra defended the government's exchange policy and announced that several measures to avoid excessive means of payment and preserve a healthy currency policy will be adopted through the monetary board.

The government expressed its firm purpose of waging a decisive frontal attack on the plague of inflation to prevent the country from falling into the situations which would have a hard effect upon the less advantaged economic classes. Finance Minister Garcia Parra added that the government is willing to adopt the necessary additional measures to stop inflation from reaching the levels which the country overcame with so much effort and sacrifice. He said that although he did not belong to the so-called monetary school, he did believe that there was a relationship between currency supply and prices. To say the contrary would be a mistake, he added, noting that nobody can deny that the monetary supply should be reasonably balanced with the growth of real production.

There is no record in the economic history of the world of inflation that has not been accompanied or made possible or caused by a large increase in the amount of currency in circulation. Consequently, he announced, the government is ready to study the picture of the financial structure and mechanisms to make them more sensitive. The country, he went on to say, cannot continue believing that rediscounts, special [words indistinct] and the credit of the Banco de la Republica are the same as an outright currency issuance.

The banking sector urged the government to take decisive action that will permit the state and military forces to fully rebuild the nation's moral atmosphere. Alfonso Davila Ortiz referred to the subject, indicating that security is the indispensable element in the nation's development. He made the following specific proposal to the government: To seek for the national police an independent budget large enough to permit them to carry out their proper duties, with an independent organization, adequate training, sufficient incentive and equipment, and enough good agents so that the police are a truly moral force.

Inflation has declined in the country, especially because more food is available, but we should prepare for new stages which may jeopardize the stability of our finances, the finance minister said. He pointed out the wisdom of a new labor-management agreement because he felt that wages cannot be raised in the same proportion they were last year, since inflation in 1978 is fluctuating between 15 and 20 percent. We will avoid a new spiral of salaries and prices, parallel to a control of cost inflation and careful management of the public sector, he said.

Garcia Parra said that the external sector is in excellent shape, with international reserves as of 13 October reaching $2.22 billion. He announced that the monetary board will adopt several measures so that in 1979 the construction industry will concentrate on working class and middle class housing. Business, construction, agricultural production, industrial production and importing capital goods show the best returns, which makes us look optimistically at the nation's economic future, Garcia Parra told 600 delegates of the banking and financial institution convention.

BRIEFS

GAS DEPOSIT DISCOVERED--Bogota--A new gas deposit has been discovered as a result of exploration carried out by the Colombian Petroleum Enterprise [ECOPETROL]. Mines and Energy Minister Alberto Vasquez Restrepo said that the deposit was found in platform No 3 in the Gadelazamba front, where ECOPETROL hopes to find petroleum soon. [Bogota Cadena Radial Super in Spanish 0000 GMT 27 Oct 78 PA]

AERONAUTICS OFFICIAL RESIGNS--Bogota--Capt Jaime Duque Olarte, secretary general of civil aeronautics, has resigned unexpectedly. The resignation was immediately accepted by civil aeronautics director Guillermo Gaviria Echeverri. Hernando Herrera Abello was placed in charge of the general secretariat. [Bogota Radio Cadena Nacional in Spanish 1730 GMT 25 Oct 78 PA]

OPEC PRICE HIKE TALKS BRING SAUDI MINISTER

PA260332Y Paris AFP in Spanish 0029 GMT 26 Oct 78 PA

[Text] Caracas, 25 Oct (AFP)--Shaykh Ahmad Zaki Yamani, Saudi minister of petroleum and mineral affairs, arrived in Venezuela early today to discuss with the local government the increase in the price of crude that the OPEC may decree for 1979. Yamani arrived in Venezuela in an extremely discreet manner and apparently will not have any official contact with his Venezuelan counterpart, Energy Minister Valentin Hernandez, or with President Carlos Andres Perez, until Thursday, when Perez will host a dinner in his honor.

However, it was learned that Yamani has already held an informal chat with Hernandez regarding the positions the two countries are going to take on the subject of a price hike at the OPEC conference to be held in mid-December. Sources close to the petroleum industry claim that Saudi Arabia is going to use all the power at its command as the largest OPEC producer to keep the price hike as low as possible. Iraq has suggested a 25 percent hike over the current reference price of $12.70 per barrel.

Officials Meet Shaykh Yamani

PA270343Y Paris AFP in Spanish 2049 GMT 26 Oct 78 PA

[By Carlos Coello]

[Excerpts] Caracas, 26 Oct (AFP)--According to official sources, the influential Shaykh Zaki Yamani, Saudi Arabia's petroleum minister, met here today with high Venezuelan officials to reach a bilateral agreement that will lead to a new oil price increase in 1979.

Yamani's unexpected trip to Venezuela continued to occupy the attention of the press today, while the controversial shaykh and the Venezuelan authorities maintained absolute silence concerning the subjects discussed.

According to official sources, Yamani's meetings with top Venezuelan petroleum authorities were to discuss a 10-percent increase in oil prices. Yamani met early this morning with the leaders of the Venezuelan Petroleum Corporation, which manages the country's hydrocarbon industry.

It was reported that the Venezuelan authorities will maintain secrecy about any possible agreement with Yamani. For this reason, Yamani has been kept away from newsmen.

Yamani's departure from Venezuela is scheduled for tonight after a ceremony in his honor that will be offered by President Perez.

Perez Meeting With Yamani

PA270344Y Madrid EFE in Spanish 0219 GMT 27 Oct 78 PA

[Text] Caracas, 26 Oct (EFE)--Saudi Petroleum Minister Shaykh Ahmed Zaki Yamani held a meeting this afternoon with Venezuelan President Carlos Andres Perez at Miraflores Palace. The meeting lasted for more than 1 and 1/2 hours.

Valentin Hernandez Acosta, Venezuelan energy and mines minister, and ('Abd al at-Tubasi, Saudi Arabia's charge d'affaires in Caracas, also participated in the meeting.

Yamani made a short statement at the end of the meeting. He said that "President Carlos Andres Perez's visit to the Arab countries last year continues to be the guideline for efforts in the petroleum field within OPEC."

"We came out of the meeting," he added, "in full agreement, especially regarding petroleum.... We are waiting for the meeting, which will be held in (?the capital of) the Arab Emirates with hope and great enthusiasm to prove that OPEC continues a strong as ever."

Minister Hernandez Acosta revealed that Shaykh Yamani brought a letter addressed to President Perez by Prince Fahd, leader of the Saudi Government, in which Prince Fahd said that he is pleased with the agreements of the two OPEC countries.

It was officially reported that the Venezuelan president and Yamani had discussed the possibility of a (?10)-percent increase in petroleum prices in order to counteract the increase in the prices of manufactured goods imported from industrialized countries.

PEREZ COMMENTS ON BORDER DISPUTE WITH GUYANA

FL261445Y Georgetown GUYANA CHRONICLE in English 21 Oct 78 pp 1, 9 FL

[Excerpt] Guyana and Venezuela have arrived at an "intelligent understanding" on the border dispute between the two countries, the Venezuelan head of state, President Carlos Andres Perez, told newsmen at a conference yesterday.

He stressed, however, that this "intelligent understanding" was not a "written" one and that the two governments were endeavouring to handle the matter "prudently" and with a "fraternal spirit."

He also announced Venezuela's backing for Guyana's hydropower project and that Venezuela will be giving Guyana technical and economic assistance.

Answering questions about the protocol of Port-of-Spain, which was signed between the two countries in 1970 and which has shelved the border dispute until 1982, President Perez explained that while the protocol has not yet been ratified by the Venezuelan Congress, this failure did not mean any problems in the relationship between the two countries.

"In truth, there are just over three years left for the enforcement of this protocol ... and I believe that before that time comes to an end we would have been able to arrive at some concrete solutions ...," he told the press shortly before flying out of the country at the end of his 46-hour state visit.

He said the matter which was a delicate one has not been subjected to debate and public opinion because it was felt that such action would be premature.

President Perez also announced that as a result of his talks in Guyana, a number of specialized committees will be coming to Guyana to study a number of problems.

"We are going to give economic and technical help to Guyana and we are going to study concrete plans for economic co-operation," he explained.

He said during the talks the approach was to "study the broad possibilities for exchange" between the two republics and that the matters dealt with will be disclosed in a joint press communique to be released shortly.

It was eventually decided that no communique would be issued but that matters discussed, particularly of a bilateral nature, should be pursued with all possible dispatch.

He said while only the main principles were established during the discussions there were several important decisions related to economic co-operation between the two countries. However, all developments will come out of the work of the specialized committees which the two governments have agreed to set up.

He did not list the areas which will be examined. During the conference, however, it was gleaned that there was likely to be co-operation in the fields of fisheries and hydropower development.

In the case of fisheries, President Perez pointed out that one of the problems to be looked at by one of the specialized committees was the working out of a treaty on fishing.

And, in the case of hydropower development in the upper Mazaruni district, President Perez explained that it was his government's understanding that this project was necessary for Guyana's proper development and therefore was prepared to give assistance to it.

"Our position is to give full backing and co-operation, including economic support," he explained.

Venezuela, he said, would examine the possibilities of linking the existing and future electricity systems of the two countries and of purchasing excess power from the proposed hydropower scheme.

BRIGADE REPORTED TRAINING TO GO TO NICARAGUA

PA262359Y Panama City CRITICA in Spanish 26 Oct 78 pp 1, 7 PA

[By Carlos J. Nunez L.]

[Text] The "Gen Tomas Herrera" Brigade has been undergoing hard training and is ready to participate in the anti-Somoza struggle when and where the Sandinist National Liberation Front (FSLN) and the Nicaraguan people decide it is necessary. These remarks were made yesterday by Mario Panther, secretary general of the Federation of Panamanian Students (FEP), who added that "so far we have not disclosed the course of this solidarity action for obvious reasons. Furthermore, young FEP members are already in Nicaragua and, along with the FSLN, have participated in armed actions to eliminate the 40-year-old tyrannical power." The FEP secretary general made these statements during a news conference during which preparations for the celebration of the 35th anniversary of FEP were disclosed.

Panther also recalled that a group of doctors and paramedics has already been organized to assist at the appropriate time, along with a similar group from Costa Rica, on the border with Nicaragua. Salvadoran and Honduran medical brigades which will be ready to act along the Honduran border have also been organized. These measures have been taken in line with agreements made by the Federation of Central American University Students. The student leader, who was accompanied by the national leaders of his organization in the Federal Executive Council, did not specify how many young people belong to the "Gen Tomas Herrera" Brigade, where they have been or where they are being trained.

Government Denial

PA262104Y Panama City Circuito RPC Television in Spanish 1800 GMT 26 Oct 78 PA

[Text] There is no place in Panama where people are being trained to fight against neighboring governments, local security officials said here today. Lt Col Manuel Antonio Noriega, chief of Panamanian security services, told UNITED PRESS INTERNATIONAL that there is no subversive training plan or area in Panama aimed against any other country.

Noriega was denying press reports that a brigade of Venezuelan volunteers is training in Panama to join the Sandinist national liberation forces in their struggle against Nicaraguan President Anastasio Somoza.

EDUCATION MINISTER PROPOSES SOLUTION TO STRIKE

PA261714Y Panama City Domestic Service in Spanish 3101 GMT 26 Oct 78 PA

[Speech to nation by Panamanian Education Minister Gustavo Garcia de Paredes--live]

[Text] Panamanian people: As a citizen must know, in September the teachers' organizations submitted to the national government lists of objectives in which they included economic and professional demands. In the first days of October a dialog was begun which developed in various phases. The following persons participated in the first phase: former President of the Republic Demetrio B. Lakas; former Education Minister Diogenes Cedeno Cenci; the National Financial Commission represented by Planning and Economic Policy Minister Gustavo Gonzalez; former Finance and Treasury Minister Luis Adames; Amilcar Villareal, adviser of the comptroller general of the republic; Dr Ricardo Fabrega and Dr Mariela Morales for the Social Security Institute; and other officials of the Education Ministry.

The next phase began on 11 October when the new administration headed by His Excellency President of the Republic Dr Aristides Royo took office. On that date, I, as the new education minister, and Clara Nimia de del Vasto, the new vice education minister, began continuous meetings with the representatives of the Panamanian teachers. As a result of the talks, which have been held in a climate of frankness, respect and a broad spirit of understanding, the Education Ministry has adopted the following measures and decisions which have been duly considered by his excellency the president of the republic and his government team:

1. All teachers will receive a 40-balboa monthly increase beginning on January 1979. This includes all teachers currently employed and those who will begin teaching in the next school year starting from the time of their appointment.

2. The government, through the Education Ministry, promises to review Law 22, of 28 February 1973, on the basis of discussions that will begin in May 1979 with the participation of the planning and economic policy, finance and treasury and education ministries, the comptrollership general of the republic and the teachers' organization so that in approximately 3 months a wage policy will be established for all the nation's teachers. As an initial measure of that wage policy, it has been decided to grant a 15-balboa monthly increase beginning in June 1980, which at no time involves loss of accumulated years for the purpose of extra pay [sobresueldo].

3. In accordance with a regulation that the Education Ministry will issue, there will be a study and solution of those cases in which the interested parties prove the fulfillment of the provision of Article 2 of Law 22, of 28 February 1973, for teachers classified as 9A.

4. The Education Ministry obtained a special appropriation of 2.8 million from the Planning and Economic Policy Ministry to pay overdue wages resulting from appointments, classification promotions, extra pay and permanent appointments. It is expected that by the second half of October the complete payment of overdue wages in the aforementioned sectors will have been concluded.

5. In order to attend to demands such as the retirement of teachers after 25 years of service, clauses which limit the work of pensioners, leave without pay for study, collective life insurance and increase of pensions for retired persons, the Social Security Institute has promised to begin discussions to analyze alternatives that might respond to the requests. The first meeting will be held on 7 November at 1000 in the Social Security Institute's offices.

6. In the area of teaching in private schools, a commission will be formed with the participation of officials of the Education Ministry, the Labor Ministry, the Social Security Institute, school directors and parents of students in private schools in order to analyze requests presented by the Association of Professors of Private Schools.

7. The Education Ministry eliminates makeup courses beginning with the 1978 school year vacation and replaces them with an examination [convocatoria] aimed at giving a new opportunity to students who failed. This examination will be given in March at a date that will be announced in advance, along with the proper regulations.

8. The Education Ministry promises to open to competition the school director and supervisory positions provided for in Law 22 which become vacant and are paid for out of the budget. This will take place in accordance with established regulations. As evidence of this new policy, more than 50 director positions were open to competition on 24 October 1978.

9. Administrative mechanisms will be sought to meet the request for a decrease in the weekly class hours, endeavoring not to increase expenditures.

Instructions will be issued to the proper levels so that in the school structure, there will be equity in the assignment of the number of hours for each teacher. Similarly, the request for a reduction in the number of students per class will be answered. To this effect a careful review will be undertaken of the school structure in order to achieve a better balance in the distribution of students per class. The fulfillment of this commitment will involve the Education Ministry's adoption of administrative measures regarding the maximum number of students per school, their proportional placement in morning and afternoon classes and the distribution of teachers in two shifts. Therefore, understanding and cooperation will be required from teachers, parents and students in order to achieve the planned objective.

10. The Education Ministry will uphold the policy of evaluating critical areas to determine priorities in regard to investments and will try to find solutions on a short and medium range basis to the problems of excess student enrollment in certain education centers.

11. Regulations applicable to laboratory assistants will be reviewed and a corresponding roster will be drawn up within the personnel structure.

12. During November 1978 the Education Ministry will release the draft of the regulations for basic general education--which has been prepared in consultation with the rank and file--so that interested sectors may issue their opinions in writing. The Education Ministry will adopt the final decision in this regard.

13. In regard to evening classes, the Education Ministry will review and update studies that have been made in order to adopt pertinent decisions.

14. The Education Ministry will review the regulations in effect in regard to readjustments, and clear-cut regulations will be issued to facilitate the correct enforcement thereof. Likewise, it will regulate the assignment of functions and the rotation of officials in administrative positions.

15. The Education Ministry will continue reviewing the curricula of nonreformed secondary schools in order to make them more effective. It is also preparing new curricula for reformed secondary schools in order to help the students by placing more emphasis on basic subjects and completing their training through complementary or elective subjects reflecting the students' interests and natural preferences.

Proceeding with its policy of consultation, the Education Ministry will continue to promote the participation of interested parties in the analysis of this topic. At the same time, the Education Ministry will finish regulating complementary activities such as musical and artistic education and so forth to formalize it at the level of directors, teachers and students.

16. Continuing with its policy of consultation participation, the Education Ministry welcomes the interest of the educators in participating in work commissions to be appointed for promoting changes in the educational system and arranging for the implementation of the Panama Canal treaties. To this effect, the Education Ministry will ask for a list of the teachers who are interested in being members of such commissions.

17. In view of the fact that law No 15 of 21 December 1975 regulates the utilization of the second installment of the 13th-month bonus as a means to provide housing, contacts will be made with the respective public entities to determine the viability of building housing projects for educators.

18. By strictly establishing priorities under existing physical limitations, the Education Ministry will activate mechanisms to purchase educational supplies and produce textbooks, educational aids and equipment required for education centers. The evaluation of teachers will take into account personal efforts--despite any material limitations teachers may find in performing their duties.

19. The granting of leave with pay for study has been regulated by the state on the basis of slots per year, ministry priorities, personal credit and merit, years of service and age.

20. The Education Ministry will issue appropriate regulations with regard to professional and technical education teachers according to the priority attached to human resources training in this field for the country's development. In addition, existing regulations on the classification of these personnel will be followed.

The Education Ministry wishes to stress that many of the points under consideration involve eventual changes or enactment of laws, rules and regulations, for which reason it would not be possible to adopt responsible decisions without the proper research. That is why it is necessary to appoint commissions with educators and others involved to make pertinent recommendations. The country's higher educational authorities, in view of the agreements reached with the teachers, urge a return to classes beginning tomorrow, 26 October, in order to help our young students. In the next few days, the Education Ministry will announce the measures that will be adopted in order to make up for days missed. I will now read a communique of interest to the citizenry:

On behalf of the national government, we wish to take advantage of this opportunity to inform the citizens that the country's highest authorities have issued orders to draft a salary policy covering all of Panama's public employees. Consequently, the government has decided to create a National Salary Policy Commission which will endeavor to review the salaries of all public employees and educators. This policy will be inspired on sound principles of public administration and will be implemented on the basis of the country's budgetary, economic and fiscal capabilities. This commission will be composed, on behalf of the national government, by representatives of the Presidency of the Republic, Finance and Treasury Ministry, Planning and Economic Policy Ministry and the Comptroller General's Office. Thank you.

Opposition Commentary

PA262258Y Panama City Radio Hogar in Spanish 1700 GMT 26 Oct 78 PA

[Lucho Pimentel commentary in "Comentarios y Opiniones" program]

[Excerpt] For me it was very curious and significant that the education minister last night said that we have reached favorable conclusions. I thought he was going to bring the leaders of the professors and teachers organizations, and instead he brought the education vice minister. I thought he was going to come with all the teachers' representatives to say that the problem had been solved. It is a very curious thing. I wonder if they think that all the people still suck their thumbs. Do they think that all the mothers sent their kids to school today?

Gentlemen, the people don't suck their thumbs anymore. No one went to any school. The minister stuck his foot in his mouth. No one believes him. He deceived me and all those who saw him on television. He arrived at a series of conclusions and then told the parents that since the problem had been solved, everyone should go back to school. But the problem has not been solved. What kind of a deception is this? The things that occur in this country are incredible.

Commentary in Support

PA270419Y Panama City Televisora Nacional in Spanish 2315 GMT 26 Oct 78 PA

[Text] Several public events in the past 24 hours have prompted me to interpret them correctly in light of the information that we have collected. I viewed Education Minister Dr Gustavo Garcia de Paredes' appearance on television last night as the end of this distressing educational dispute which has lasted for 2 and 1/2 weeks. I thought that the minister's speech ended the dispute and that each of his statements responded to a consensus of opinion with the striking teachers.

The community breathed easily when the public education minister urged teachers to return to work this morning. However, Minister Garcia de Paredes had not disappeared from the television screens when authorized spokesmen for the striking teachers' organizations irately denounced the minister's remarks, calling them a unilateral initiative which went beyond the framework of the agreement of principle that they had negotiated with the government. They reiterated that the strike would continue.

We have been able to establish, according to reports from the teachers' sector, that they had requested a 1 to 2-day deadline before the agreement was announced in order to consult their grassroots and explain the scope of the agreement to them. The teachers contend that the Education Ministry did not abide by this requirement and that Dr Garcia de Paredes' announcement surprised them before they completed their consultations. Other teaching sectors go further and say that some of the points announced by the ministers are not necessarily shared by them.

It would seem then that there was a misunderstanding at some point during the prolonged negotiations which has resulted in the conlusion that arose when the teachers openly disagreed with the education minister's announcement. I want to believe that it was a misunderstanding or confusion regarding the announcement procedures because it is difficult to believe that it is an effort on the part of the teachers to achieve full success in the strike that began on 9 October. I say this because the government has agreed to grant most of the teachers' demands, even as far as the pay raise is concerned. This is the crux of the dispute and the primary concern of the teachers. There was a favorable change in the government toward the teachers in the past few days when another raise of 15 balboas was accepted for June 1980. Only 1 week ago 3 government ministers said on television that they could agree only to the 40-balboa raise effective on 1 January 1979.

It is true that the teachers wanted raises of 17 to 50 percent of their current pay and that these raises could not have been granted. Maximum demands are never obtained during negotiations, let alone at a time when the government is encountering the difficult economic and fiscal situation of the National Treasury. I think that the teachers should not forget the fact that the agreement accepted by the government as read by Minister Garcia de Paredes last night has a political price that the government and President Royo are paying.

The acceptance of many of the points contained in the list of teachers' demands constitutes self-criticism by the government which is highly meaningful if we recall that President Aristides Royo was education minister for the past 4 and 1/2 years. We repeat now what we said more than a week ago concerning the sympathy that the teachers' cause elicits, but we also point to the enormous difficulties that the government is facing in fully meeting their demands. We also want to draw attention to the fact that the students and their parents are those who are most affected by the strike. A teachers' strike, especially toward the end of the school year, has greater social impact than a doctors' strike. Its effects cover the entire learning process of children and adolescents. Clear thinking and commonsense would now seem to indicate a prompt return to the classroom by all the country's teachers.

The government has negotiated for more than 2 weeks to reach a comprehensive settlement, and the teachers can feel quite satisfied with what they have accomplished. We have reached the point at which prolongation of the strike could boomerang against the teachers. The government, which seems able to negotiate for an extended period, could be cornered and left without much room to maneuver. The important thing now is to resume school as soon as possible and to recover lost time without forcing students to learn subjects that they missed during the strike. Rather, the school year should be extended until at least the third week in January.

The government's education officials and, above all, the teachers should show the community that what really matters to them is the students' preparation and learning and that in this sense they are willing to prolong the school year to the end of January so students and their parents will not be adversely affected by a strike in which they had no part.

ROYO PRESENTS ADMINISTRATIVE AUSTERITY PROGRAM

PA2600043Y Panama City Televisora Nacional in Spanish 2105 GMT 25 Oct 78 PA

[25 October statement to the press by Panamanian President Aristides Royo at the Presidential Palace on austerity measures adopted in a cabinet session held earlier that day--recorded]

[Text] When I took office as president of the republic I immediately began to draft what I had promised the Panamanian people in my speech concerning a policy of austerity and rationalization of government expenses. Consequently, I appointed a commission headed by Eligio Salas which included officials from the finance and planning ministries, the Comptroller's Office and other government departments. Today this group submitted to the cabinet a series of norms and measures to implement the promise I made on 11 October.

There are many measures which are obviously of great importance, but it is much more important that each and every one that we adopted today be followed. To this end, I pledge not only my word, but my efforts and actions as well.

Basically, the measures can be summarized as follows: The state will make a serious effort to create an attitude of conscientiousness, honesty, productivity and responsibility toward work at all levels. Specifically, the measures are the following:

All supervision and inspection trips to the interior of the republic are suspended starting today. This includes trips from the interior to the capital on Fridays, trips made 1 day prior to a holiday and trips to places where patron saint festivals are being held.

Starting today and until the next budget becomes effective, all overtime payments are suspended. Any work that should require overtime must be approved by higher management, and payment will be made only in compensatory time. This measure excludes those departments and those workers whose normal jobs demand this type of work--such as nurses, field workers of the Institute of Hydraulic Resources and Electrification and the National Telecommunications Institute [INTEL], Sugar Corporation workers and other essential workers.

Every department must have a set of internal regulations which must be enforced in every aspect by its management. All donations and contributions not provided for in the present budget are suspended as of 1 November. This will last until the new budget becomes effective. This means the suspension of purchases of tickets and other devices used in raffles, articles in magazines, newspaper advertisements, subsidies for sports teams, support for martial or school music bands, the hiring of artistic groups and new publicity and propaganda contracts.

Contracting for, changing or increasing computer systems, copiers, duplicating systems and reproduction systems is suspended effective immediately. Renting new offices or expanding present offices in all government departments is prohibited until such time as a study which takes into consideration alternatives and recommendations on the subject is submitted. The Panamanian Government spends a considerable sum of money on rents every year. We must establish a policy that will decrease those rents and gradually favor, in accordance with the real possibilities of the budget, the construction of ministries and departments and thereby prevent the payment of large amounts of rent every year.

The hiring of new foreign technicians is hereby suspended--those currently employed will be retained--except in cases involving programs of international agencies which have merit or projects for which the human resources cannot be found in the country.

The purchase of cars, work vehicles, air conditioners, office furniture and equipment is henceforth centralized in the Finance and Treasury Ministry. We have even reached an agreement between the Finance Ministry and the Comptroller's Office for the purchase of other types of equipment such as agricultural equipment. We will also try to prevent as much as possible the purchase of new equipment by providing funds to repair and maintain existing equipment.

The use of any institutional funds to pay for domestic festivals connected with the forthcoming independence holidays and the Christmas and New Year's holidays is prohibited.

The government will cancel all purchase orders for which delivery dates have passed, and the Finance Ministry will extend only those which have special merit. Those cases in which purchase orders were issued and terms were not complied with are considered to have expired, and the government can proceed to use the funds so allocated for other purposes.

INTEL will be asked to restrict the use of lines for telephone calls abroad. Reimbursements of petty cash and rotating funds will be suspended after 1 November. This will last until the new budget becomes effective.

All personnel changes are suspended effective immediately even if these do not change budget appropriations.

No new budget appropriations will be made for the purchase of gasoline after 1 November. This will last until the 1979 budget becomes effective. In other words, no gasoline purchase orders can be made against the new budget.

The management bodies of all departments are requested to restrict to a minimum the use of copying and reproduction machines and to exercise strict control in order to stay within the consumption limit agreed upon in existing contracts. The same is true for carbon copies and stencils. To rent or enter into a contract for any type of copying or duplicating machine which requires special, expensive paper is prohibited. It is recommended that those copiers which use regular paper continue to be used.

We are going to promote the immediate establishment of committees in every department to foster savings and productivity. There will be savings and productivity committees in every department. They will be headed by the management of each department. We wish to say that intensive campaigns will be implemented to promote savings and increase productivity in every department, and we have seriously considered the awarding of prizes to those committees or persons that distinguish themselves in savings and in the promotion of productivity.

All government departments are hereby instructed to draft estimates on appropriations needed to maintain vehicles, office equipment, air conditioners and other items. This conforms to what I said previously--to prevent, as much as possible, the purchase of new equipment and make the best use of existing equipment.

I have something interesting here. All government officials who make official trips paid for with government funds will travel tourist class, also described as economy class. No one will travel first class. We are going to restrict all trips abroad to a minimum, and the number of official visits will also be cut to a minimum. All plane tickets donated by the airlines will be placed under the control of the Presidency of the Republic for rational and equitable distribution among all government departments and persons who really need them.

We are rationalizing the use of office supplies. Stenotype pads and note pads will be made of cheap paper, of newsprint. The use of government planes and every request for the use of government planes will be subject to written authorization by the top management of every government department.

We will also require, effective immediately, that the aircraft coordination center send a monthly report to the Presidency of the Republic on the missions which took place, giving the names of members on every mission and the destination and purpose of the mission. We must try to prevent many officials from using aircraft when they can use land vehicles, and we must see to it that government officials travel in one or two cars rather than each official in a separate vehicle.

We will use strict controls regarding publicity expenses, trips abroad and insurance in general. In this respect we are instructing the Planning and Economic Policy Ministry to demand detailed reports from all government departments fully justifying automobile insurance and trips abroad.

It will be compulsory for all government entities which produce income to submit their financial statement and personnel organization charts for 30 September within 90 days from today. There will be controls on telephone calls to the interior of the country in that government departments must submit detailed reports on funds spent on microwave communications during 1978.

We are studying other actions, such as an inventory of equipment, the holding of two paid jobs--a study will be made of the officials who are holding more than one paid job, often in conflict with their work schedule; the rational use of office space in government buildings; loans; the creation of an institute of medicines; the celebration carnival--we are going to restrict the government's expense on these celebrations to a minimum.

A commission will study the work schedules in the government departments and within 60 days will recommend to the government a work schedule for all government departments. The purpose of this is to establish a work schedule that will guarantee greater productivity and greater ease in rendering services and that will decrease congestion in the urban transporation system. This must not be in conflict with the double shift used in several schools. What we are trying to eliminate here is the differences in working hours that exist among several departments and the great traffic congestion in Panama City during peak hours.

On the vacations of government employees, I must say that I believe in vacations and believe that government employees' vacation time should not be accumulated. Government employees sometimes go for 4, 5 or 6 years without taking vacations. We believe everyone should work long and hard, but we also believe in the right to take vacations.

There are several other tasks concerning the rationalization of government funds which we will study in the next few weeks. We are taking this seriously, gentlemen. We are going to try to run an honest government administration that will be very rational without stripping it of the effectiveness of the hard work that should go into the government's functions, while maintaining an honest, very rational and austere public administration, without stripping the public official of the dignity which he deserves.

I would like to take this opportunity to announce the appointment of a well-structured financial commission composed of public officials from the planning and finance ministries, the Comptroller's Office, the Presidency of the Republic and the National Bank. The objective of the financial commission will be not only to study the expenses and financing of the government's activities--to deal not only with the central government's finances--but to deal with those of the autonomous entities as well.

We are optimistic and confident that with the financial commission, the savings and productivity committees and the good faith and good will of all government officials, we will have a public administration which will function with savings and increased productivity and effectiveness.

Installs Economic Advisory Council

PA261532Y Panama City Televisora Nacional in Spanish 2315 GMT 25 Oct 78 PA

[Text] In a ceremony held in the Yellow Room of the Presidential Palace today, President Aristides Royo installed in office the National Economic Consultative Council. The council will advise the executive branch on economic measures during the coming years and is composed of business and labor personalities. The council is composed of Jaime Arias Calderon, Saturnino Mauge, Julio Bermudez, Jose Bettsak, Elberto Luis Cobos, Guillermo Chapman, Gabriel de la Guardia, Stanley Fidanque, Juan Jose Garcia, Osvaldo Heilbron, Federico Humbert, Samuel Lewis Galindo and Charles Perret.

The installation of the Consultative Council was attended by cabinet ministers and other high-ranking officials of the government.

[Panama City MATUTINO in Spanish on 26 October adds that the council will be presided over by Vice President Ricardo de la Espriella]

PRESIDENT PARDONS SUBVERSIVE PILOT JORGE RODRIGUEZ

PA270219Y Panama City Televisora Nacional in Spanish 2315 GMT 26 Oct 78 PA

[Text] The national government today pardoned Capt Jorge Rodriguez, who was arrested more than 2 years ago for placing a number of explosive devices in several parts of Panama City. When one of the bombs exploded in the former Air Panama pilot's car, his wife, Mrs Gilma Rodriguez, was seriously injured.

Captain Rodriguez was sentenced to 15 years' imprisonment for subverting public order. President Dr Aristides Royo ordered Captain Rodriguez's release today, in an action that he feels is conducive to maintaining a climate of peace, progress and industriousness within broad national unity.

ASSEMBLY REJECTS LIFETIME PENSIONS FOR FORMER PRESIDENTS

PA261550Y Panama City Televisora Nacional in Spanish 2315 GMT 25 Oct 78 PA

[Text] In a decision supported by a substantial majority the National Assembly of Corregimiento Representatives today rejected the bill submitted by the executive branch providing for lifetime pensions for former presidents and vice presidents of the republic who served after 1972.

The lifetime pension bill had been severely criticized in the community because it provided that the pension would be equivalent to the last salary earned by the officials.

In addition, the previous assembly had made this law more restrictive by establishing that it would apply only to presidents and vice presidents who served after 1972. The National Assembly of Corregimiento Representatives rejected the lifetime pension bill for former presidents and vice presidents by 455 votes against. There being 2 blank votes and only 7 votes in favor of this unpopular bill.

In explaining their votes many representatives said that they could not approve this bill for lifetime pensions for salaries amounting to several thousand balboas per month as long as many of their communities did not have potable water and lacked proper health service, schools, streets and other things.

MAJOR PURCELL ASSUMES COMMAND OF PRESIDENTIAL GUARD

PA262110Y Panama City Circuito RPC Television in Spanish 1800 GMT 26 Oct 78 PA

[Text] Command of the Panamanian presidential guard was transferred yesterday in a military ceremony witnessed by President Aristides Royo, Vice President Ricardo de la Espriella, chief of the National Guard General Staff Col Florencio Flores, and Lieutenant Colonels Cecilio Fisher and Manuel de J. Aruaz. Maj Luis Thurber gave the banner of the presidential guard to Maj Lorenzo Purcell, who replaces him as chief of the presidential guard. Previously, Major Purcell was chief of the 6th Military Zone, with headquarters in Cocle, and also deputy chief of the Panamanian Air Force. The new chief of the presidential guard and aide de camp of the president has a magnificent service record, which led to this appointment.

COSTA RICA

GOVERNMENT NEGOTIATES LOAN TO PAY FOREIGN DEBT

PA261543Y San Jose Radio Reloj in Spanish 1200 GMT 26 Oct 78 PA

[Text] President Rodrigo Carazo announced yesterday that the government has negotiated a loan of $180 million from a syndicate of private banks. The syndicate, made up of 10 private banks, will grant two separate loans: One of $70 million for the Republic of Costa Rica and another of $110 million for the Central Bank.

The government seeks by this loan to (?reduce) the foreign debt and thereby generate revenue for the country, as well as to save 6 million colones a year in interest and amortization. In addition, the loan will be partially used to make advance payments on a portion of the foreign debt of $765 million. The rest will be used to finance potable water and agroindustrial projects.

GUATEMALA

ATTEMPTED INTIMIDATION OF OFFICIALS REPORTED

PA261605Y Guatemala City Domestic Service in Spanish 1230 GMT 26 Oct 78 PA

[Station commentary: "Psychological Warfare"]

[Excerpt] Some government officials have received threats over the phone. Political leaders have also found themselves in similar circumstances after having received anonymous (?letters) in what is known as a "psychological warfare" campaign.

Following recent events in the capital, sectors whose propensity toward crime has become increasingly evident have been turning to such harmful acts to sow unrest, disquieting the nerves of the citizenry or provoking a state of depression which has detrimental effects on a person's performance of his daily duties.

Naturally, it is unpleasant to receive intimidating phone calls or threats. [Words indistinct] also, that this type of behavior is considered acceptable only by the writers or by criminals with sick minds. The authorities have initiated thorough investigations into several cases in order to catch those who are acting irresponsibly and take appropriate measures against them.

Execution Threats

PA262055Y San Jose Radio Reloj in Spanish 2001 GMT 26 Oct 78 PA

[Excerpt] The Guatemalan Secret Anticommunist Army [ESA] announced today that in the next few hours it will execute six Guatemalan communists who have been tried and sentenced to death. In a press bulletin sent to newspapers ESA indicates that one person was executed on 20 October. This apparently refers to the murder of the secretary general of the University Students Association, Oliverio Castaneda de Leon. According to the ESA bulletin, six more persons will be executed today.

The information, which was quickly broadcast by radio stations, has created tension in Guatemala City where a public protest demonstration by students and workers in connection with Castaneda de Leon's murder will be held this afternoon.

LEGAL STATUS OF TWO UNIONS CANCELLED

PA261300Y Guatemala City Domestic Service in Spanish 0030 GMT 26 Oct 78 PA

[Text] The presidential document issued through the [Public] Relations Ministry cancelling the legal status of the Association of Guatemalan Mailmen and Postal Workers [Asociacion de Carteros y Empleados Postales de Guatemala--ANCEP] and the Association of Telegraph and Radio Telegraph Workers [Associacion de Telegrafistas y Radiotelegrafistas de Guatemala--ATRG] became effective today. It was based on reports released by the General Directorate of the National Police which noted that the associations carried out activities opposed to public order.

After receiving the reports of the police officials and [words indistinct] carefully analyzing the situation involving the ANCEP and ATRG, President Gen Fernando Romeo Lucas Garcia decided to cancel their legal status. Thus, the government agreements dated 23 August 1952, which approved ANCEP's statutes, and 31 October 1951, which approved ATRG's statutes, have been repealed. The agreements [words indistinct] in DIARIO DE CENTRO AMERICA.

The same document issued by the president of the republic cancelling the legal status of the mailmen's and radiotelegraph workers' associations contains a decision to task the Public Finance Ministry with creating a specific commission from among its technical organizations to liquidate the property of these associations. This will be carried out as soon as possible.

GEPLACEA REPORTS WORLD SUGAR PRODUCTION, CONSUMPTION

FL261050Y Havana Domestic Service in Spanish 1030 GMT 26 Oct 78 FL

[Text] World sugar production during the 1978-79 harvest will be 90,753,000 tons and consumption will amount to 90,019,000 tons. This has been announced by experts of the Economic Group of Latin American and Caribbean Sugar Exporting Countries--GEPLACEA.

The final report submitted for consideration of the 120 delegates of 21 exporting countries of the region who are meeting in Guatemala City also notes that the 1977-78 harvest surplus will be only 650,000 tons. The almost balanced production and consumption statistics allows the exporting countries to expect that the international price in 1979 could reach the minimum price of $0.11 per pound set by the International Sugar Organization.

HONDURAS

FOREIGN MINISTER SAYS REFUGEES NOT DENIED ASYLUM

PA262300Y Paris AFP in Spanish 0546 GMT 26 Oct 78 PA

[Text] Tegucigalpa, 25 Oct (AFP)--Honduran Foreign Minister Roberto Palma Galvez today said that "the Honduran Government has never denied the right of asylum to Nicaraguan refugees who have taken refuge in its embassy in Managua." The foreign minister said that "there was a misunderstanding in the case of Mayra de Montealegre and her three small children, to whom the embassy charge d'affaires offered temporary asylum while he made pertinent consultations."

"Nevertheless," Palma Galvez said, "precise instructions have been given to our embassy in Nicaragua so that it will request safe-conducts for Mayra de Montealegre, her three children and Justo Edmundo Pastor Lopez, who has been under the protection of the Honduran Embassy in Managua."

NICARAGUA

FAO PROPOSAL ON PROVISIONAL GOVERNMENT ISSUED

PA270401Y Panama City ACAN in Spanish 0305 GMT 27 Oct 78 PA

[Excerpt] Managua, 26 Oct (ACAN-EFE)--The full text of the "Program of the Provisional Government of National Unity," which was proposed by the Broad Opposition Front (FAO) to the international mediation commission, was released today. BOLSA DE NOTICIAS, a publication for executives and newsmen, published the text, which is being studied by the diplomats of the United States, the Dominican Republic and Guatemala and which will be submitted to President Somoza on an undisclosed date.

The FAO indicated the provisional government that would end in December 1981 would have the essential task of reestablishing peace and laying the fundamental groundwork for the establishment of a republican, democratic and representative system of government. This government must guarantee full respect for human rights and implementation of the 16 basic points of the democratic political program of the opposition coalition.

National reconstruction and reconciliation among Nicaraguans will be priority concerns of the government. The text of the proposal added that, with the clear aim of preventing greater hatred in the Nicaraguan family, a spirit of national unity will be promoted within a regime of freedom and social justice.

The document indicated that in order to reach the outlined goals, Gen Anastasio Somoza's definitive withdrawal from power in the republic, the National Guard and any other public force is an essential condition.

Other essentials are the definitive separation of members of Somoza's family from the National Guard and the departure from the country of Gen Somoza Debayle and his relatives in military posts, since their presence in Nicaragua is a factor of permanent turmoil.

According to the plan presented by the Opposition Front, the Council of State, the government junta and the courts of justice will be branches of the national unity government. The Council of State would have legislative functions. It would consist of two representatives of opposition political groups and two representatives of the ruling Nationalist Liberal Party (PLN).

The government junta would consist of three members elected by the Council of State. It would exercise executive power and would take the initiative in drafting laws as well as the right of veto. The term of the junta would end on 1 December 1981. The FAO proposal stated that 6 months before the end of the junta's term, the National Constituent Assembly would convene general elections in accordance with the new constitution and the electoral law. These elections would be held on the first Sunday of September 1981. According to the FAO proposal, the Council of State will reorganize the judicial branch, selecting new judges that will administer justice until 1 December 1981.

International Mediation Commission Activities

PA260424Y Paris AFP in Spanish 2218 GMT 25 Oct 78 PA

[By Horacio Ruiz]

[Excerpt] Managua, 25 Oct (AFP)--FAO leaders met this morning to analyze talks which they held last night with the representatives of the foreign mediation commission.

Dominican Foreign Minister Adm Ramon Emilio Jimenez, who was in Santo Domingo, was expected back in Managua today. Jimenez was away from this capital for 5 days so that he could rest in his country after experiencing a slight indisposition which he suffered during a lengthy meeting that he held here with a group of industrialists. It was denied that the intensive work of the past few weeks caused him to have a heart attack.

The mediation commission, which includes American Wiliam Bowdler and Guatemalan Alfredo Obiols, has held long interviews with representatives of the major industrial associations in an effort to learn of their opinions on the political and economic problems affecting the country.

Commentary Attacks FAO

PA261953Y Managua Domestic Service in Spanish 2355 GMT 25 Oct 78 PA

[Station commentary: "The Actions of the Organized Aggressive Front, FAO, and its Political Audacity"]

[Excerpts] As we said in a previous commentary, the members of the FAO, the "organized aggressive front" [pun on the initials of the Broad Opposition Front], continue to pose as victors. They will not give in. They do not accept their impotence in the face of the unity of a constitutional government which exercises control over the republic--a government which gained power by being chosen by the Nicaraguan people in past elections.

From the obstinate stand of opposition assumed by the mentors of the FAO, the organized aggressive front mounted on its Trojan horse, the FAO members attack everything that is not to their liking. Actually, it is very difficult to determine just what they prefer and what doctrines they adhere to. Their only doctrine is to gain power to reach positions of command in the republic. The members of the FAO, the organized aggressive front, are dreamers who, on their own and by their own acknowledgment, have styled themselves leaders of the opposition. If one observes them, if one assesses them, if one measures each of them in terms of their moral, social and political merit, the conclusion would be that they are not competent to be the representatives of a people who seek to raise their level of development, and live in peace and freedom, contributing to the nation's social, economic and cultural progress.

The members of the FAO are imbued with the greedy desire to gain power, with the desire to wield it without regard for the ideological contradictions which the members of the organized aggressive front represent. On the other hand, no one ignores the fact that the Independent Liberal Party, the conservative parties--the Aguero Party of the Sandino Arguello Party--The Social Christian Party, the Nicaraguan Socialist Party and the Nicaraguan Communist Party, the Constitutionalist Liberal Movement and so forth all have their own philosophies, means of action and programs. There exists a natural antagonism among all the parties which are members of the organized aggressive front.

In addition, to speak openly of the labor unions which form part of the FAO, one must reveal that the leaders do not hide the fact that they profess extreme leftist beliefs. These leaders are confessed communists--a fact which they have not hidden from the Nicaraguan people. Their audacity has led them to implement decisions reached during a party plenum. As part of their immediate program these leaders are executing agreements which they reached in 1970 during the constructive congress.

The first point agreed upon was the overthrow of the government headed by Gen Anastasio Somoza Debayle. The program of the Nicaraguan Communist Party called for actions leading to the democratic overthrow of the native oligarchy among other things. However, under the laws of the republic these are not real parties because they do not comply with the provisions of the electoral law.

Today, the only thing which we can say about them is that they are riding a Trojan horse and the public has identified them as members of the organized aggressive front.

GROUP OF 12 URGES PEOPLE TO CONTINUE STRUGGLE

PA270145Y Panama City ACAN in Spanish 2147 GMT 26 Oct 78 PA

[Text] Managua, 26 Oct (ACAN-EFE)--Mediation has shamelessly turned into intervention, and Nicaraguan citizens must under no circumstances allow the United States to insure the survival of the military dictatorship with a distrustful promise of Somoza's departure. That was the explanation given by the Group of 12 to justify its withdrawal from the Broad Opposition Front [FAO] and the political committee which represents it in the talks with the mediation commission composed of U.S., Dominican and Guatemalan representatives.

In a statement made public in Managua today, the 12 reaffirmed their support for the Sandinist National Liberation Front, which, according to them, "remains unyielding, as on the first day." The 12, whose 7 representatives in Nicaragua took asylum in the Mexican Embassy in Managua last night, said that the message to so many places inside the country remains the same: "The Nicaraguan people are the only ones who can decide the course of our fatherland. The people will march toward their own liberation."

The Group of 12 urged the people to continue their resistance and told them that they are not alone. We have on our side the solidarity of democratic countries such as Venezuela, Costa Rica, Jamaica, Mexico, Panama and Colombia, the solidarity of hundreds of thousands of Latin Americans, and great solidarity within the United States itself, it said.

The Group of 12 explained in its communique, whose distribution coincided with another planned meeting between the FAO and the international mediating commission, that it proposed the immediate separation of the Somoza family from power and the establishment of a pluralist national government that would place the country on a path to true democracy. It said that a necessary step to attain that goal is that the United States stop all help to Somoza.

"However, the United States has chosen the path of encouraging the opposition with the doubtful expectation of Somoza's withdrawal from power rather than suspending once and for all all support for Somoza. Somoza's withdrawal from power is subject to prior agreement on a 'viable solution' in which the 'mediating' commission proposes leaving the corrupt structures of Somoza's machinery intact," affirmed the document. The document added: "We want to encourage our people--the students and youths who have paid the highest share of blood for the liberation of Nicaragua, women and workers, peasants and teachers and professionals--to resist any interventionist maneuver and prevent their future from being decided behind closed doors. We must resist with our heart any change which changes nothing."

Finally, the 12 said that today more than ever it is Gen Augusto Cesar Sandino who points the way and teaches us that the sovereignty and independence of Nicaragua are above everything else and that today, as yesterday, we must reject foreign intervention with all our strength.

Tunnermann on Split in FAO

PA262204Y San Jose Radio Reloj in Spanish 1730 GMT 26 Oct 78 PA

[Text] The Group of 12 has broken away from the Broad Opposition Front because Somoza's influence in a future government is being encouraged. Carlos Tunnermann, a member of the Group of 12, openly made this statement when referring to the FAO split in Nicaragua. During an exclusive interview granted to Radio Reloj, Tunnermann raised other points and charges against the National Guard and Somoza's government:

[Begin Tunnermann recording] As the public knows, the FAO was formed in the wake of the Group of 12's appeal to all political forces and social sectors in Nicaragua to form a broad front of opposition to Somoza. This appeal was our first public statement in October of last year. It was followed by our trip to Nicaragua in July of this year to unite this broad front, contribute to its organization, make it representative of all sectors and develop a minimum plan of action. All of this was accomplished during our 5 July visit to Managua.

During the mediating commission's most recent talks, a proposal was made to open direct contacts with representatives of the Nationalist Liberal Party [PLN], that is, the ruling party, the Somozist party, which has been (?jointly) responsible for the lengthy Somozist dictatorship.

Our group expressed its distrust and its [word indistinct] about the convenience of this plan. Finally, the FAO proposed to establish, upon Somoza's downfall or his departure, a provisional government with the participation of PLN elements which have backed the Somozas for 45 years. Our group fully disagrees with this proposal. We believe that this would be tantamount to opening the door to Somozism without Somoza and that this would dampen [mediatizar] the victory of the Nicaraguan people who have done so much to rid themselves of Somoza's tyranny.

For this reason, the Group of 12 withdrew first from the talks being held by the mediating commission and later from the FAO itself, disagreeing with the FAO's current political policy. We feel that, following the massacres that have occurred in the country and the destruction of four cities, it is impossible even to think that the government that would replace Somoza can include representatives of those responsible for this situation. These people have even gone so far as to issue, following the massacres, a resolution supporting and congratulating the dictator for all he has done.

In this sense, our group hopes that our fellow FAO members will reconsider their position and deny this participation. We also hope that they will oppose any participation by any Somozist representative in the government that will replace Somoza and that the opposition will be united again. We hope that they will reconsider and that they will realize that their attitude is not the most beneficial for the Nicaraguan people.

[Question] Mr Tunnermann, regarding the possibility of establishing a provisional government-in-exile...?

[Answer] We have always argued that any provisional government must be formed on Nicaraguan soil. We do not think that it is advisable to form governments-in-exile. We feel that this must be done on Nicaraguan territory after a (?portion) of Nicaraguan territory is liberated.

I would like to take advantage of this interview to again denounce the activities of the departmental commander in Rivas, General Gonzalo Evertz. He has ordered the manufacture of 1,000 red and black scarves, the colors of the Sandinist flag used by the FSLN. He has also ordered 1,000 berets. We denounce this maneuver because we do not know what they intend to do. Perhaps they intend to compromise the FSLN. We can even name the seamstress who is making the scarves. She is Carmen Ibarra. Her shop is near the National Guard garrison in Rivas.

[Question] Mr Tunnermann, excuse us for [word indistinct] the broadcast. What do you think of the situation? Is there any hope for a settlement through negotiations with Somoza, or is warfare the definite alternative?

[Answer] I think that if the FAO reconsiders its decision and supports our thesis there will not be even the slightest opening for Somozaism without Somoza. However, I see that it is a bit more difficult.

I think that if the mediators insist on a solution of this type, the Nicaraguan people will not accept the solution and, consequently, the mediation effort will fail. I think that the Nicaraguan people remain firm [in their determination to] continue struggling against the dictatorship. They will try to achieve our country's liberation this year. [end recording]

HEALTH DIRECTOR REPORTS SOMOZA IS WELL

PA261205Y Managua Domestic Service in Spanish 0345 GMT 26 Oct 78 PA

[Text] The National Guard's medical director hereby informs the citizenry that His Excellency President of the Republic Div Gen Don Anastasio Somoza Debayle visited the military hospital at 0730 today, 25 October, to have an x-ray taken of his left foot which he hurt 9 days ago. The x-ray revealed a slight fracture at the base of the fifth toe. There was no dislocation. He was taken care of by Dr Hernan Quiros and Dr Silvio Sanchez, who put a short plaster cast on him which he will have to wear for about 3 weeks. His excellency the president of the republic was not hospitalized. His condition is completely satisfactory and he continues performing the work of his high office.

SANDINISTS REPORTED STILL ATTACKING FROM COSTA RICA

PA262100Y Paris AFP in Spanish 1735 GMT 26 Oct 78 PA

[Text] Managua, 26 Oct (AFP)--Sandinist forces based in Costa Rica have tried to invade Nicaraguan territory three times this month, said army information chief Col Aquiles Aranda here today. He added that this fact shows that the Sandinists are active and can attack Nicaraguan Government forces at any moment.

He pointed out that on 13 October a National Guard patrol operating at the mouth of the Sapoa River, close to the Costa Rican border, came under heavy fire from guerrillas hidden on the river bank. On the 17th, another National Guard military patrol was attacked near the edge of Salinas Bay on the Pacific Coast, and an incident occurred with a Costa Rican Coast Guard patrol boat which fired on Nicaraguan territory, an island known as Bolanos.

On the 22d, Aranda said, two groups of Sandinists arrived from Costa Rican territory in a station wagon and converged on the National Guard post at the border town known as La Pimienta, a short distance from Penas Blancas, and fired at the post for 15 minutes with heavy arms. They then withdrew again to Costa Rican territory. Aranda said that the attackers have heavy French, Belgian and U.S. arms. He showed a group of newsmen a French-made 89-mm Sprint antitank projectile which he said was left behind during the border attack on the 22d.

Official Protest To Costa Rica

PA261210Y Paris AFP in Spanish 0148 GMT 26 Oct 78 PA

[Text] Managua, 25 Oct (AFP)--The Nicaraguan Foreign Ministry announced today that Nicaragua has lodged an official protest with Costa Rica over an attack on a National Guard post perpetrated by a Sandinist guerrilla group organized in Costa Rica.

According to the government, the incident occurred in a place known as La Pimienta located in the border area. Sandinist youths also attacked two banking concerns in Managua and made off with an undisclosed amount of money. Before leaving the scene the youths identified themselves as members of the Sandinist National Liberation Front. The army also announced that it has discovered an arsenal in Las Esquinas, 35 km east of Managua. A National Guard spokesman said that a Soviet-made mortar was included in the arsenal.

Meanwhile, the number of persons taking asylum in the Latin American embassies in Managua continues to rise. The Venezuelan Embassy announced that it is going to rent a building to house the almost 200 Nicaraguans who have taken refuge there. For its part, the Foreign Ministry said that only 40 safe-conducts are being processed for refugees in the Venezuelan Embassy.

LABOR MINISTER DISCOUNTS GRAVITY OF UNEMPLOYMENT PROBLEM

PA262003Y Managua Domestic Service in Spanish 2355 GMT 25 Oct 78 PA

[Text] Yes, there is some unemployment in Managua and other main cities of the republic, but one must not forget that this was caused by subversives who set fire to business establishments in several cities, leaving hundreds unemployed. The preceding statement was made by Labor Minister Dr Justo Garcia Aguilar during a meeting with newsmen. He added, however, that this does not mean that the situation will reach extreme levels. Construction plants are operating normally and so are business, industry and agricultural enterprises, the labor minister added.

On the other hand, it is believed that new sources of jobs which are opening in the municipalities with the sponsorship of the central government, as well as at ports in the capital and so forth, will resolve the unemployment problem within a short time. The labor minister added that the offices which regulate labor activity have been very busy. Many new labor unions have been formed recently and all have met legal requirements.

GOVERNMENT CANCELS TAX EXEMPTION FOR INDUSTRIES

PA261413Y Managua Domestic Service in Spanish 0345 GMT 26 Oct 78 PA

[Text] Dr Jaime Fernandez, deputy economy, industry and commerce minister, has rejected as unfair the term "reprisal" applied to the government's decision to cancel the income tax examption privilege granted to industries whose exemption under the original decree has run out. He said that this is only a belated application of a state prerogative.

I am not demeaning the validity of the industrialists' complaint because I realize that it is the logical reaction of those who, accustomed to a policy of unrestrained profit, see their income reduced. However, it is time for industry to contribute to fiscal revenue since it has received favorable treatment from the state, the deputy minister added.

Referring to the term reprisal, Dr Fernandez said that revision of Decree 745 does not discriminate against industrialists and that the law will be applied equally to all those industrialists whose fiscal privileges are running out. Dr Fernandez said that the tax [exemption], designed to stimulate the country's industrialization, was freely granted even to industries which strictly were not in need of it in view of their production.

BUS SERVICE RETURNS TO NORMAL SCHEDULE

PA261324Y Managua Domestic Service in Spanish 0345 GMT 26 Oct 78 PA

[National Transportation Council 24 October communique]

[Text] The National Transportation Council hereby informs the general public and traffic officials that by resolution No 31, dated 18 October 1978, it has agreed to rescind the 4 September communique authorizing transportation firms to operate from 0500 to 1900. The council informs the citizens in general that, since the causes which led to this provision have ceased to exist, both urban and rural bus services will operate on their regular schedule. Enacted in Managua, National District, on the 24th day of October 1978.

FIDEL CASTRO PRAISES AL-ASAD, AL BAKR MEETING

JN261157Y Baghdad INA in Arabic 1135 GMT 26 Oct 78 JN

[Text] Baghdad, 26 Oct--Fidel Castro, president of the Cuban Councils of State and Ministers, has greeted the historic meeting between Presidents Ahmad Hasan al-Bakr and Hafiz al-Asad. He described the meeting as a basic step in consolidating the unity of the Arab people, confronting capitulation and thwarting the Zionist plots. This is contained in a cable President Castro has sent to President Ahmad Hasan al-Bakr. The following is the text of the cable:

His Excellency Ahmad Hasan al-Bakr, president of the Iraqi Republic: On behalf of the Cuban Government and people, we greet the reopening of Iraqi-Syrian borders. We also greet the high-level talks as a basic step in consolidating the unity of the Arab people, confronting the traitors' capitulationist policy, and thwarting the plots of Zionism and the imperialist tools in the Middle East.

Please accept our sincerest greetings.

[Signed] Fidel Castro, president of the Cuban Council of State.

CIA WILL CONTINUE TO ACT WITH IMPUNITY, SAYS REPORTER

FL262321Y Havana Domestic Service in Spanish 2247 GMT 26 Oct 78 FL

[Text] Statements by Adm Stansfield Turner, director of the Central Intelligence Agency, are a clear demonstration that this organization will continue to act with impunity, inside and outside the United States. Turner told a meeting of newsmen in New York that the measures announced by the North American government aimed at limiting the activities of espionage groups have not affected their work. All rules have exceptions, he said, and the CIA has kept its arsenal of means needed to fulfill its missions.

Turner recognized that since 1947, when the CIA was created, North American diplomacy, its might as a nation, economic pressure and the U.S. military threat have been directed at exerting influence over other states and at impeding the adoption of measures which would harm Washington's interests.

SUGAR PRODUCTION CHIEFS HOLD MEETING IN HAVANA

FL261955Y Havana Domestic Service in Spanish 1902 GMT 26 Oct 78 FL

[Text] We must update measures aimed at reducing the time required for producing sugar at all sugar mills. The statement was made by Miguel Tomas Panizo, director of technology of the Sugar Ministry, in his speech at the Sugar Ministry's sixth national meeting of sugar production chiefs. The event, which is being attended by nearly 300 delegates and guests, will hold working sessions until next Saturday at the national training center for sugar industry workers, which is located near the Manuel Martinez Prieto sugar mill in Havana City.

During the meeting more than 50 technical reports will be discussed and special lectures will be given. In his speech, Miguel Tomas Panizo referred to the importance of saving fuel during industrial processing of the sugarcane. We must work very hard in research work at saving fuel by achieving a reduction of consumption and fulfilling the surplus bagasse plan. Panizo also examined the work accomplished by his department since the holding of the fifth meeting of sugar production chiefs, which was held in 1975.

The reports being discussed at the meeting are mainly aimed at achieving better efficiency in industrial operation during the next sugar harvest.

ETHIOPIAN PMAC MEMBER RECEIVES EDUCATION MINISTER

FI252246Y Havana Domestic Service in Spanish 2216 GMT 25 Oct 78 FL

[Text] Indale Tesema, member of the Provisional Military Administrative Council [PMAC] standing committee in charge of social affairs, today received the Cuban delegation headed by Higher Education Minister Fernando Vecino Alegret. The Ethiopian leader reiterated his nation's recognition of the internationalist assistance given to Ethiopia by Cuba.

ORGANIZATION COMMEMORATES 33D UN ANNIVERSARY

FI251559Y Havana Domestic Service in Spanish 1526 GMT 25 Oct 78 FL

[Text] The Cuban Association of the United Nations last night held a reception at its headquarters in Vedado on the occasion of the 33d anniversary of the founding of the United Nations. Attending the event were Elena Gil, president of the Cuban Movement for the Peace and Sovereignty of the Peoples and member of the PCC Central Committee, and Rene Anillo and Jose Raul Viera, first vice minister and vice minister at the Foreign Ministry. Also attending were officials of the UN specialized agencies in Cuba--UNESCO, World Health Organization and FAO--and members of the diplomatic corps accredited to our country. The members of the managing council of the Cuban Association of the United Nations also attended.

DELEGATION TO UNESCO MEETING MEETS WITH OFFICIAL

FI252334Y Havana Domestic Service in Spanish 2303 GMT 25 Oct 78 FL

[Text] The Cuban delegation to the 20th UNESCO general conference has met with D. Najman, assistant director-general of the cooperation for development and external relations sector of UNESCO. During the talks the Cuban delegation briefed the UNESCO official on our country's cooperation with that international organization.

Comments on Mass Media

FI262104Y Havana Domestic Service in Spanish 2038 GMT 26 Oct 78 FL

[Text] The Cuban delegation to the 20th UNESCO general conference which is being held in Paris, today stated that one of the most important topics to be discussed there is the draft on mass media. The draft was written by UNESCO at the conference and it resulted in attacks from delegations of the developed capitalist countries and by the large media information services of those nations.

The document outlines the contributions made by mass media in strengthening international peace and understanding and in the struggle against bellicose, racist and apartheid propaganda. A communique issued by the Cuban delegation states that the importance of information is indisputably found in contemporary culture, which demands the establishment of a new international information order.

PERU

SUSPENSION OF CLASSES EXTENDED AFTER DEMONSTRATIONS

PY251301Y Lima Domestic Service in Spanish 1200 GMT 25 Oct 78 PY

[Communique released by Education Ministry's communication and information office on 26 October in Lima]

[Text] The Education Ministry informs the public that despite the suspension of classes ordered for yesterday, (?several demonstrations) which disturbed public peace were carried out by groups of students mobilized by agitators.

In view of these events and with the purpose of protecting the students, it has been decided to suspend classes within the regional directorate of metropolitan Lima until Saturday the 28th. Classes will recommence on Monday the 30th. A renewed call is made to the educational community, teachers, parents and students to [words indistinct].

URUGUAY

MINISTER SEEKS INTERNATIONAL AGREEMENT ON DRUGS

PY261356Y Montevideo Radio Carve Network in Spanish 0000 GMT 26 Oct 78 PY

[Interview with Interior Minister Gen Hugo Linares Brum; place and date not given--recorded]

[Excerpts] Is Uruguay helping [words indistinct]. Are measures being studied to achieve an agreement for the extradition of criminals, basically regarding drug traffic. What are the possibilities of achieving this agreement?

[Answer] I believe that it is very important that an agreement is achieved. To this end the OAS secretary general has been invited to discuss coordination and the establishment of a common basis for an extradition law which will allow us to proceed calmly and thus defend ourselves from this scourge which affects the world.

[Question] What is the situation in our country?

[Answer] The situation remains, shall we say, stationary. You will have observed from the press communiques that drug trafficking is very tempting and pays very well and many people are involved in it. The [words indistinct] are casually open and, in view of the nature of the drugs themselves, this makes them easy to transport and hide, and they pay very well. Every now and again they reappear, but they are second offenders, people who have been indicted either for addiction or for selling drugs.

The drug brigade is very active and we continue to send officers abroad to attend courses. We are very up to date in this sense. We have very good controls in this respect.

BRIEFS

MEXICAN AMBASSADORSHIP TO ECHEVERRIA--Mexico City, 18 Oct (EFE)--President Jose Lopez-Portillo today appointed former President Luis Echeverria ambassador to Australia. Echeverria will continue in his current post of Mexican representative to UNESCO in Paris until November. [Madrid EFE in Spanish 0230 GMT 19 Oct 78 PA]